

EXHIBIT 1

INTRODUCTION

Respondent Maribel De La Torre (“De La Torre”) was a successful candidate for a seat on the San Fernando City Council in the March 6, 2001 election. She was reelected on March 8, 2005, and is currently a member of the council. Respondent Families for Maribel De La Torre (“Committee”) was Respondent De La Torre’s controlled recipient committee during the 2001 and 2005 city council elections. Respondent Steven Veres (“Veres”) served as Respondent Committee’s treasurer from its inception until his resignation on September 13, 2001, and Respondent Oscar E. Jimenez (“Jimenez”) served as the treasurer of Respondent Committee from approximately July 1, 2004, to December 5, 2005. Respondent Committee received contributions of approximately \$18,575 in connection with the March 6, 2001 election, and approximately \$25,000 in connection with the March 8, 2005 election. This case arose from a referral received from the San Fernando City Clerk’s office.

The Political Reform Act (the “Act”)¹ requires a candidate and his or her controlled committee to file periodic campaign statements, and to disclose certain information for individuals who contributed \$100 or more to the committee on those campaign statements. In this matter, Respondents De La Torre, Committee and Veres failed to timely file two semi-annual campaign statements, and failed to disclose occupation and/or employer information for individuals who contributed \$100 or more on a campaign statement. Additionally, in 2005, Respondents De La Torre, Committee and Oscar E. Jimenez failed to timely file a semi-annual campaign statement.

For purposes of this stipulation, Respondents’ violations of the Act are stated as follows:

COUNT 1: Respondents Maribel De La Torre, Families for Maribel De La Torre, and Steven Veres failed to file a semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, by the July 31, 2001 due date, in violation of section 84200, subdivision (a).

COUNT 2: Respondents Maribel De La Torre, Families for Maribel De La Torre, and Steven Veres failed to disclose occupation and employer information for individuals who contributed \$100 or more on a semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, in violation of section 84211, subdivision (f).

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

COUNT 3: Respondents Maribel De La Torre, Families for Maribel De La Torre, and Steven Veres failed to file a semi-annual campaign statement for the reporting period from July 1, 2002 through December 31, 2002, by the January 31, 2003 due date, in violation of section 84200, subdivision (a).

COUNT 4: Respondents Maribel De La Torre, Families for Maribel De La Torre, and Oscar E. Jimenez failed to file a semi-annual campaign statement for the reporting period from February 20, 2005 through June 30, 2005, by the July 31, 2005 due date, in violation of section 84200, subdivision (a).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures affecting election campaigns are fully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Duty to File Semi-Annual Campaign Statements

Section 82013, subdivision (a) defines a “committee” as any person or combination of persons who directly or indirectly receives contributions totaling \$1,000 or more in a calendar year. This type of committee is commonly referred to as a “recipient” committee. Under section 82016, subdivision (a), a recipient committee that is controlled directly or indirectly by a candidate is a “controlled committee.”

Section 84200 requires candidates and their controlled committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period from January 1 to June 30, and must be filed by July 31 of the same year. The second semi-annual campaign statement covers the reporting period from July 1 to December 31, and must be filed by January 31 of the following year. All filing obligations continue until a candidate terminates the committee by filing a statement of termination (Form 410). (Section 84214; regulation 18404.)

Section 82046, subdivision (b) specifies that the “period covered” by a campaign statement begins the day after the closing date for the last statement filed. If a person has not previously filed a campaign statement, the period covered begins on January 1.

Duty to Disclose Contributor Information on Campaign Statements

Section 84211, subdivision (f) requires a candidate and his or her controlled committee to report on each of their campaign statements the following information about a person if the cumulative amount of contributions received from that person is \$100 or more and a contribution has been received from that person during the reporting

period covered by the campaign statement: (1) the contributor's full name; (2) the contributor's street address; (3) the contributor's occupation; (4) the name of the contributor's employer, or if self-employed, the name of the contributor's business; (5) the date and amount of each contribution received from the contributor during the reporting period; and (6) the cumulative amount of contributions received from the contributor.

Liability of Committee Treasurers

Under section 81004, subdivision (b), section 84100, and regulation 18427, subdivision (a), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Sections 83116.5 and 91006.)

SUMMARY OF THE FACTS

COUNT 1

Failure to Timely File a Semi-Annual Campaign Statement

Respondents De La Torre, Committee and Veres had a duty to file a semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, by July 31, 2001.

Respondents De La Torre, Committee and Veres did not file a semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, until October 12, 2001. The campaign statement revealed that Respondents received \$3,800 in contributions, and made \$9,000 in expenditures during the reporting period.

By failing to file a post-election semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, by the July 31, 2001 due date, Respondents De La Torre, Committee and Veres violated section 84200, subdivision (a).

COUNT 2

Failure to Disclose Required Contributor Information

Respondents De La Torre, Committee and Veres had a duty to disclose occupation and employer information for the individuals who contributed \$100 or more in a calendar year.

Respondents De La Torre, Committee and Steven Veres did not disclose occupation and employer information for the six individuals who contributed \$100 or more, for a total of \$1,700, on a semi-annual campaign statement for the reporting period

from February 18, 2001 through June 30, 2001. Respondents filed an amended statement to include the required information on October 30, 2003.

By failing to disclose occupation and employer information for individuals who contributed \$100 or more in a semi-annual campaign statement for the reporting period from February 18, 2001 through June 30, 2001, Respondents De La Torre, Committee and Veres violated section 84211, subdivision (f).

COUNT 3

Failure to Timely File a Semi-Annual Campaign Statement

Respondents De La Torre, Committee and Veres had a duty to file a semi-annual campaign statement for the reporting period from July 1, 2002 through December 31, 2002, by January 31, 2003.

Respondents De La Torre, Committee and Veres did not file a semi-annual campaign statement for the reporting period from July 1, 2002 through December 31, 2002, until October 30, 2003. The campaign statement revealed that Respondents received a \$3,000 contribution from Families for Cindy Montanez, and made \$3,118.20 in expenditures during the reporting period.

By failing to file a semi-annual campaign statement for the reporting period from July 1, 2002 through December 31, 2002, by the January 31, 2003 due date, Respondents De La Torre, Committee and Veres violated section 84200, subdivision (a).

COUNT 4

Failure to Timely File a Semi-Annual Campaign Statement

Respondents De La Torre, Committee and Jimenez had a duty to file a post-election semi-annual campaign statement for the reporting period from February 20, 2005 through June 30, 2005, by July 31, 2005.

Respondents De La Torre, Committee and Jimenez did not file a post-election semi-annual campaign statement for the reporting period from February 20, 2005 through June 30, 2005, until September 2, 2005. The campaign statement revealed that Respondents received \$250 in contributions, and made \$13,499 in expenditures during the reporting period.

By failing to file the semi-annual campaign statement for the reporting period from February 20, 2005 through June 30, 2005, by the July 31, 2005 due date, Respondents De La Torre, Committee and Jimenez violated section 84200, subdivision (a).

CONCLUSION

This matter consists of four counts, which carry a maximum possible administrative penalty of Twenty Thousand Dollars (\$20,000). In this matter, Respondents failed to timely file campaign statements and did not disclose required contributor information.

Regarding Counts 1, 3, and 4, the administrative penalty for failing to timely file a semi-annual campaign statement has typically been in the middle of the penalty range. Failure to timely file a campaign statement is a serious violation of the Act, because it deprives the public of important information about a candidate and committee's contributors and financial activities. Counts 1 and 4 warrant a higher penalty than Count 3, because a greater degree of public harm was caused by Respondents' failure to timely file the two semi-annual campaign statements that covered the periods leading up to and directly following each election, during which time a significant amount of Respondent Committee's financial activities occurred. In mitigation, Respondents raised a relatively small amount of money in connection with the two elections and have already paid a late-filing penalty of \$3,300 to the City of San Fernando. Therefore, imposition of administrative penalties in the amount of \$2,000 each for Counts 1 and 4, and \$1,000 for Count 3 is appropriate.

Regarding Count 2, the stipulated administrative penalty for failing to disclose occupation and employer information has ranged from \$1,000 to \$2,000. In this matter, Respondents were required to provide occupation and employer information for six contributors of \$100 or more in the February, 18, 2001 through June 30, 2001 reporting period. Respondents did not provide the required information for those six contributors until approximately two years later, when they were directed by Commission staff to amend the campaign statement. However, due to the small size of Respondents' campaign and the fact the undisclosed information concerned only approximately 9% of Respondents total contributions received, an administrative penalty at the low end of the range of \$1,000 for this violation is appropriate.

Accordingly, the facts of this case justify imposition of the agreed upon administrative penalty of Six Thousand Dollars (\$6,000).